

## Office of the Secretary, HUD

## § 81.17

means an option for a seller of mortgages to the GSEs to dissolve or otherwise cancel a mortgage purchase agreement or loan sale.

(d) *HUD review of transactions.* HUD will determine whether a class of transactions counts as a mortgage purchase under the housing goals. If a GSE seeks to have a class of transactions counted under the housing goals that does not otherwise count under the rules in this part, the GSE may provide HUD detailed information regarding the transactions for evaluation and determination by HUD in accordance with this section. In making its determination, HUD may also request and evaluate additional information from a GSE with regard to how the GSE believes the transactions should be counted. HUD will notify the GSE of its determination regarding the extent to which the class of transactions may count under the goals.

[60 FR 61888, Dec. 1, 1995, as amended at 65 FR 65088, Oct. 31, 2000; 69 FR 63642, Nov. 2, 2004]

### § 81.17 Affordability—Income level definitions—family size and income known (owner-occupied units, actual tenants, and prospective tenants).

In determining whether a dwelling unit is affordable to very-low-, low-, or moderate-income families, where the unit is owner-occupied or, for rental housing, family size and income information for the dwelling unit is known to the GSE, the affordability of the unit shall be determined as follows:

(a) *Moderate-income* means:

(1) In the case of owner-occupied units, income not in excess of 100 percent of area median income; and

(2) In the case of rental units, where the income of actual or prospective tenants is available, income not in excess of the following percentages of area median income corresponding to the following family sizes:

Number of persons in family	Percentage of area median income
1 .....	70
2 .....	80
3 .....	90
4 .....	100

Number of persons in family	Percentage of area median income
5 or more .....	(*)

\*100% plus (8% multiplied by the number of persons in excess of 4).

(b) *Low-income* means:

(1) In the case of owner-occupied units, income not in excess of 80 percent of area median income; and

(2) In the case of rental units, where the income of actual or prospective tenants is available, income not in excess of the following percentages of area median income corresponding to the following family sizes:

Number of persons in family	Percentage of area median income
1 .....	56
2 .....	64
3 .....	72
4 .....	80
5 or more .....	(*)

\*80% plus (6.4% multiplied by the number of persons in excess of 4).

(c) *Very-low-income* means:

(1) In the case of owner-occupied units, income not in excess of 60 percent of area median income; and

(2) In the case of rental units, where the income of actual or prospective tenants is available, income not in excess of the following percentages of area median income corresponding to the following family sizes:

Number of persons in family	Percentage of area median income
1 .....	42
2 .....	48
3 .....	54
4 .....	60
5 or more .....	(*)

\*60% plus (4.8% multiplied by the number of persons in excess of 4).

(d) *Especially-low-income* means, in the case of rental units, where the income of actual or prospective tenants is available, income not in excess of the following percentages of area median income corresponding to the following family sizes:

Number of persons in family	Percentage of area median income
1 .....	35
2 .....	40
3 .....	45
4 .....	50

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Number of persons in family	Percentage of area median income
5 or more .....	(*)

\* 50% plus (4.0% multiplied by the number of persons in excess of 4).

[60 FR 61888, Dec. 1, 1995, as amended at 65 FR 65089, Oct. 31, 2000]

### § 81.18 Affordability—Income level definitions—family size not known (actual or prospective tenants).

In determining whether a rental unit is affordable to very-low, low-, or moderate-income families where family size is not known to the GSE, income will be adjusted using unit size, and affordability determined as follows:

(a) *For moderate-income*, the income of prospective tenants shall not exceed the following percentages of area median income with adjustments, depending on unit size:

Unit size	Percentage of area median income
Efficiency .....	70
1 bedroom .....	75
2 bedrooms .....	90
3 bedrooms or more .....	(*)

\*104% plus (12% multiplied by the number of bedrooms in excess of 3).

(b) *For low-income*, income of prospective tenants shall not exceed the following percentages of area median income with adjustments, depending on unit size:

Unit size	Percentage of area median income
Efficiency .....	56
1 bedroom .....	60
2 bedrooms .....	72
3 bedrooms or more .....	(*)

\*83.2% plus (9.6% multiplied by the number of bedrooms in excess of 3).

(c) *For very-low-income*, income of prospective tenants shall not exceed the following percentages of area median income with adjustments, depending on unit size:

Unit size	Percentage of area median income
Efficiency .....	42
1 bedroom .....	45
2 bedrooms .....	54

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Unit size	Percentage of area median income
3 bedrooms or more .....	(*)

\*62.4% plus (7.2% multiplied by the number of bedrooms in excess of 3).

(d) *For especially-low-income*, income of prospective tenants shall not exceed the following percentages of area median income with adjustments, depending on unit size:

Unit size	Percentage of area median income
Efficiency .....	35
1 bedroom .....	37.5
2 bedrooms .....	45
3 bedrooms or more .....	(*)

\*52% plus (6.0% multiplied by the number of bedrooms in excess of 3).

[60 FR 61888, Dec. 1, 1995, as amended at 65 FR 65089, Oct. 31, 2000]

### § 81.19 Affordability—Rent level definitions—tenant income is not known.

For purposes of determining whether a rental unit is affordable to very-low-, low-, or moderate-income families where the income of the family in the dwelling unit is not known to the GSE, the affordability of the unit is determined based on unit size as follows:

(a) *For moderate-income*, maximum affordable rents to count as housing for moderate-income families shall not exceed the following percentages of area median income with adjustments, depending on unit size:

Unit size	Percentage of area median income
Efficiency .....	21
1 bedroom .....	22.5
2 bedrooms .....	27
3 bedrooms or more .....	(*)

\*31.2% plus (3.6% multiplied by the number of bedrooms in excess of 3);

(b) *For low-income*, maximum affordable rents to count as housing for low-income families shall not exceed the following percentages of area median income with adjustments, depending on unit size:

Unit size	Percentage of area median income
Efficiency .....	16.8
1 bedroom .....	18
2 bedrooms .....	21.6